

State Board of Accounts Spring Library Workshop

We are dedicated to providing the citizens of the State of Indiana with complete confidence in the integrity and financial accountability of state and local government.

June, 2020

Indiana State Board of Accounts

Enhanced Regulatory Basis of Accounting



Indiana State Board of Accounts

Enhanced Regulatory Basis 2019 Updates

- ✓ Long-term Debt
- ✓ Leases
- ✓ InterFund Transactions
- ✓ Deficit Fund
- ✓ Significant Contingent Liabilities



- Significant Commitments
- Subsequent Events
- Transfers
- Capital Assets

Commons.Wikimedia.org

Enhanced Regulatory 2020

- Financial Statement - Fund Types
- Interfund Activity
- Capital Assets Note Disclosure (in
- Conduit Debt
- Short-term Debt
- Tax Abatements
- Landfill Closure and Postclosure C
- Related-Party Transactions
- Joint Ventures



Indiana State Board of Accounts

Pixabay.com

Capital Assets

- Update and maintain Capital Asset Ledger
- Supplementary Schedule (unaudited) for 2019 and 2020
- Compliance Testing
- Estimated Useful Lives of Assets – *Required on Form 369*
- Depreciation Calculation – **Postponed**



Indiana State Board of Accounts

Capital Assets - Resources

You Tube Video – Accounting for Capital Assets

Library Bulletin

Library Manual

Presentations and Training Materials from 2019



www.in.gov/SBOA on the *Libraries* page

Indiana State Board of Accounts

How to Prepare for a Remote Audit

Email, Telephone, Video Conferences

COVID -19 Protocol

Document Prior to Audit

Gateway Direct Request email

Monthly & Annual Uploads

Computer Webcam



Indiana State Board of Accounts

Internal Controls during COVID-19

Internal controls should be identified, monitored, and evaluated on a continual basis



Indiana State Board of Accounts

Internal Control Processes

- Bank Reconciliation
- Receipting Process
- Disbursing Process
- Payroll
- Credit Cards
- Financial Reporting



Indiana State Board of Accounts

Internal Controls – Ongoing Process

Ongoing Process

Evaluate

Modify

Address all Five Components



Indiana State Board of Accounts

Internal Controls

Best Practices ▼

[Annual Financial Report](#)

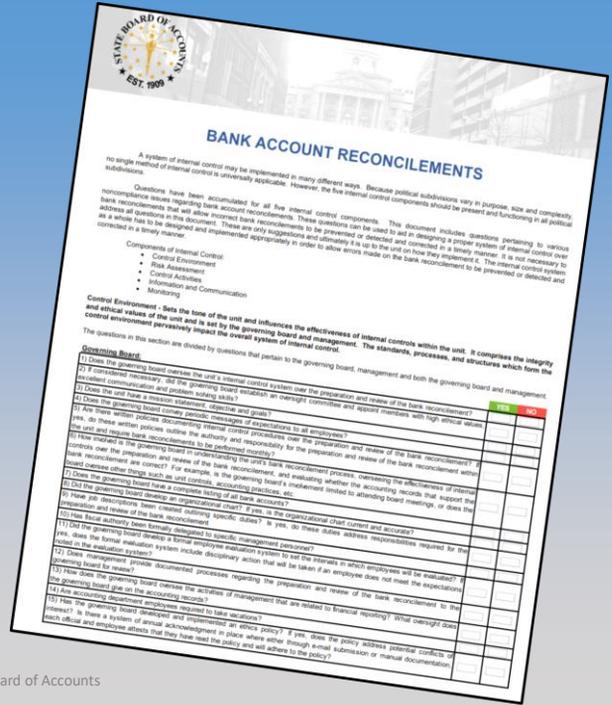
[Snapshot](#)

[Bank Account Reconcilements](#)

[Snapshot](#)

[Credit Card Purchases](#)

www.in.gov/sboa



Indiana State Board of Accounts

Internal Controls – Best Practices

- Annual Financial Report
- Bank Account Reconciliation
- Credit Card Purchases
- Disbursing Activities
- Payroll
- Receipting Activities
- Schedule of Expenditures of Federal Awards

Long Version

Snapshot

Indiana State Board of Accounts

Do internal controls really matter?



Common Internal Control Findings

Did not
separate incompatible activities
related to receipts,
disbursements, and payroll.

Did not have a
review or approval process
over bank reconciliation or
over financial close and
reporting

There was no
evidence of an
oversight, review, or
approval process



Indiana State Board of Accounts
<https://pixabay.com/en/warning-sign-30915/>

Deposit of Collections

- Cash Collections
- Electronic Payments
 - IC 36-1-8-11



Pikrepo.com

Indiana State Board of Accounts

Payroll

- Compensation Paid
- Withholdings
- Payroll Service Providers



Picpedia.org

Indiana State Board of Accounts

Bank Transactions

Cash Withdrawals

Checks Payable to Cash

Counter Checks

EFTs

Duplicate Payments



<https://en.wikipedia.org/wiki/Cash>

Indiana State Board of Accounts

Unauthorized Transactions

- Credit Card Purchases
- Debit Card Purchases
- Electronic Funds Transfers



Pngimg.com
380 x 415

Indiana State Board of Accounts

Internal Controls – Other Important Items

- Computer Security
- Offsite Storage
- Scams



Indiana State Board of Accounts

Internal Controls

- Review the Internal Control Manual
- Use the Best Practice Documents
- Evaluate Procedures
- Address All Five components
- Update Procedures as Needed



https://commons.wikimedia.org/wiki/File:Take_action.jpg

Indiana State Board of Accounts

Review Prior Audit Report



www.in.gov/sboa

Indiana State Board of Accounts

Indiana Code 5-11-1-27

Report of Misappropriation

- **Actual or Reasonable Cause**
 - to believe a misappropriation has occurred
- ***Shall immediately*** send **written** notice to
 - State Board of Accounts
 - County Prosecutor



Indiana State Board of Accounts

Indiana Code 5-11-1-27

Report of Variance / Loss

- Materiality Threshold
- ***Shall be reported immediately***
to the State Board of Accounts



Indiana State Board of Accounts

Reporting to SBOA – IC 5-11-1-27

www.in.gov/sboa - Responsibilities under IC 5-11-1-27

Responsibilities under IC 5-11-1-27 ▼

Pursuant to [IC 5-11-1-27\(j\)](#), all political subdivisions are required to report to us all erroneous or irregular material variances, losses, shortages, or thefts of local funds or property. For the purposes of this IC section, material is defined by the State Examiner in [State Examiner Directive 2015.6](#). Please use the following form to report this information to us. All fields are required.

Name: *

First Name

Last Name

Email: *

Indiana State Board of Accounts

Reporting under IC 5-11-1-27

The screenshot shows the Indiana State Board of Accounts website. At the top, there is a banner with the state seal and the text "STATE BOARD OF ACCOUNTS" and "22 West Washington Street". Below the banner, there are several navigation options: "Audit Reports" with a "Search Reports" button, "Report Government Fraud" with a "Click Here" link and an image of a hand holding a "STOP FRAUD" sign, "Career Opportunities" with a "Learn More" link and an image of "Success Opportunity" signs, "News Room" with a "View Articles" link and an image of a stack of papers, and "Questions?" with an "Ask SBOA a Question" link and an image of a question mark.

Indiana State Board of Accounts

Contact Information

**Todd Caldwell
&
Susan Gordon**

libraries@sboa.in.gov

317-232-2513

www.in.gov/sboa

Indiana State Board of Accounts

